



# New Alresford Town Council

## FINANCIAL RISK ASSESSMENT

“The greatest risk facing a local authority is not being able to deliver the activity or services expected of the Council.”

	Activity	Hazard	Risk To	Risk Level	Controls to Mitigate Risk	Residual Risk
1	<b>Annual Return</b>	<ul style="list-style-type: none"> <li>•Inability to meet year end close dates.</li> <li>•Omissions/inaccuracies in AGAR return</li> <li>•Late submission - Charges applied</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Structured deadline procedures.</li> <li>•Town Clerk/RFO and Deputy Clerk to comply with year-end procedures, to ensure compliance with Annual Return requirements.</li> <li>•Ensure accuracy of AGAR return prior to submission – 4 eyes</li> <li>•Role sharing to ensure office resilience during year-end process.</li> </ul>	<b>L</b>
2	<b>Assets</b>	<ul style="list-style-type: none"> <li>•Inaccurate record of assets</li> <li>•Asset register not maintained</li> <li>•Damage/destruction of assets</li> <li>•Damage/injury to third party</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Record of Assets to be maintained including additions and disposal of items.</li> <li>•Insurance provider aware of all assets and valuations.</li> <li>•Minimum of annual physical inspection of assets.</li> <li>•Maintenance programme to be implemented</li> </ul>	<b>L</b>
3	<b>Audits – Internal and External</b>	<ul style="list-style-type: none"> <li>•Lack of awareness and or training</li> <li>•Nonconformity with statues and regulations</li> </ul>	Town Council and Staff	<b>M</b>	<ul style="list-style-type: none"> <li>•Internal audit to be conducted twice a year.</li> <li>•Internal Audit contract to be reviewed every three years or sooner if required.</li> <li>•Findings of Internal Audit report to be shared with Town Council and actioned as soon as practicable.</li> <li>•Cooperation with External Audit requirements and requests</li> </ul>	<b>L</b>

4	<b>Bank and Banking</b>	<ul style="list-style-type: none"> <li>•Insufficient/inadequate reconciliations.</li> <li>•Bank Error/Failure/Loss</li> <li>•Charges</li> </ul>	Town Council, Staff and Public	<b>M</b>	<ul style="list-style-type: none"> <li>•Financial Regulations and procedures to be implemented.</li> <li>• Monthly financial reports to be shared with F&amp;F Committee and Town Council for approval following monthly reconciliation.</li> </ul>	<b>L</b>
5	<b>Best Value Accountability</b>	<ul style="list-style-type: none"> <li>•Best Value not achieved due to inadequate management of process</li> <li>•Works awarded inappropriately</li> <li>•Overspend on Services</li> </ul>	Town Council, Staff and Public	<b>L</b>	<ul style="list-style-type: none"> <li>•Financial Regulations and procedures to be implemented.</li> <li>•Best practice to be implemented prior to any tendering process.</li> <li>•Three quotes to be sought for all works</li> <li>•Respective Committee to review quotes and approve or recommend reason for awarding tender to individual/company.</li> <li>•Works undertaken to be inspected by staff, councillor, or expert to ensure of satisfactory standard</li> <li>•Any issues with works to be investigated by staff and reported to Committee/Town Council.</li> </ul>	<b>L</b>
6	<b>Budget and Precept</b>	<ul style="list-style-type: none"> <li>•Adequacy of precept and budget setting.</li> <li>•Non or late submission to District Authority</li> <li>•Amount not received by District Authority</li> </ul>	Residents.	<b>L</b>	<ul style="list-style-type: none"> <li>•All Committees to prepare and submit 5-year financial plans to F&amp;F Committee annually by September.</li> <li>•Budget preparation by Town Clerk/RFO is to be considered by the F&amp;F Committee considering actual and projected position. Town Council reviews information presented and approves the amounts set for specific budget headings for the following financial year.</li> <li>•Explanation of notable variances to be recorded</li> <li>•Virements to be minuted</li> <li>•Approval of the final budget and precept request to be made by Town Council, for submission to District Authority by January each year.</li> </ul>	<b>L</b>
7	<b>Business Continuity</b>	<ul style="list-style-type: none"> <li>•Failure of Council continuing business due to unforeseen</li> </ul>	Residents and Staff	<b>L</b>	<ul style="list-style-type: none"> <li>• The finance system Rialtas/Omega is installed on all clerks machines and all staff have separate access.</li> </ul>	<b>L</b>

		<p>circumstances.</p> <ul style="list-style-type: none"> <li>•Long-term sickness.</li> <li>•Unforeseen financial or another crisis</li> </ul>			<ul style="list-style-type: none"> <li>•Number of signatories on account increased to five to enhance resilience.</li> <li>•All members of staff can work from home via VPN access to NATC systems</li> <li>•IT systems automatically backed up. Telephone support available regarding IT system and Finance System</li> <li>•Financial Internal controls procedure must be adhered to.</li> </ul> <p>*Business Continuity Plan to be drafted</p>	
8	<b>Conflicts/Gifts</b>	Inadequate identification and controls regarding conflicts of interest	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Conflicts declarations (Code of Conduct and Acceptance form) reviewed and revised at the Annual Parish Council meeting.</li> <li>•District Council hold records Acceptance of Office and Pecuniary Interest forms</li> <li>•Chair seeks declaration of any conflicts at each meeting and enforces participation restrictions appropriately.</li> </ul>	<b>L</b>
9	<b>Cash</b>	Theft/Dishonesty/Loss	Staff and Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Implementation of Financial Regulations.</li> <li>•Petty Cash reconciliation conducted at least monthly.</li> <li>•Cash held limited to £100.00.</li> <li>•Cash/cheques received to be banked within 2 weeks of receipt</li> <li>•Staff to take practical safety precautions when collecting cash</li> <li>•Cash payments discouraged and electronic payments encouraged.</li> <li>•Council Insurance policy includes Fidelity guarantee</li> </ul>	<b>L</b>
10	<b>Cheque Books</b>	Loss of Cheque Book/Fraudulent use of Cheque book	Residents and Staff	<b>L</b>	<ul style="list-style-type: none"> <li>•Cheque books securely held.</li> <li>•No blank cheques signed.</li> <li>•Cheque No. recorded on invoice.</li> </ul>	<b>L</b>

11	<b>Council Records</b>	<ul style="list-style-type: none"> <li>•Loss of electronic data</li> <li>•Loss through fire/theft/damage/corruption</li> </ul>	Town Council	<b>L</b>	<ul style="list-style-type: none"> <li>•IT Audit advice implemented.</li> <li>•System backup is automated onsite and offsite.</li> <li>•Building Fire regulations implemented and revised annually</li> <li>•Fire alarm subject to weekly tests and 6 monthly service</li> <li>•Office security procedures implemented.</li> <li>•Confidential personal information retained in locked cabinet by Town Clerk</li> <li>•Documents retention procedures to be adhered to</li> </ul>	<b>L</b>
12	<b>Data Protection</b>	<ul style="list-style-type: none"> <li>•Loss of Confidential Information</li> <li>•Reputational Risk</li> <li>•Lack of awareness or training</li> </ul>	Town Council, Councillors, Staff and Public	<b>M</b>	<ul style="list-style-type: none"> <li>•Town Council is registered with the Information Commissioner Office (ICO)</li> <li>•GDPR training available to staff and councillors</li> <li>•Council information shared only via business emails.</li> <li>•GDPR related policies created, implemented and available to public via website</li> <li>•ICO Certificate renewed annually</li> </ul>	<b>L</b>
13	<b>Election Costs</b>	Inability to meet costs	Town Council	<b>L</b>	<ul style="list-style-type: none"> <li>•Risk elevated in an election year. When an election is due the Clerk will obtain an estimate of costs from the District Council for a full election and or uncontested election.</li> <li>•Annual budget provision</li> </ul>	<b>L</b>
14	<b>Financial Records</b>	<ul style="list-style-type: none"> <li>•Inadequate records leading to financial irregularities</li> <li>•Loss through damage/theft/fire/corruption</li> </ul>	Town Council and RFO	<b>M</b>	<ul style="list-style-type: none"> <li>•Town Clerk/RFO to ensure implementation of Financial Regulations and best practice within office controls.</li> <li>•Financial internal controls reviewed regularly</li> <li>•Quarterly assurance inspections to be undertaken.</li> <li>•Full risk review to be undertaken annually</li> <li>•Internal and External Audits to be undertaken at least annually</li> <li>•Regular manual and automated back-ups of systems which is tested annually</li> </ul>	<b>L</b>

15	<b>Freedom of Information Act</b>	The Council has a model publication scheme for Local Councils in place.	Town Council and Staff	<b>M</b>	<ul style="list-style-type: none"> <li>•The Council is able to request a fee for any information requested to cover the cost of consumables and the clerk's time.</li> <li>*FOI Act publication document requires review - Last reviewed 2016. FOI procedure to be created.</li> </ul>	<b>L</b>
16	<b>Grants</b>	<ul style="list-style-type: none"> <li>•Power/Authorisation to Pay</li> <li>•Receipts of Grants</li> </ul>	Member of the Public	<b>L</b>	<ul style="list-style-type: none"> <li>•All Grant applications to be considered and approved by Town Council.</li> <li>•Grant budget reviewed annually</li> <li>•All Grants received to be entered into finance system under separate budget headings</li> <li>•All Grant payments to be recorded in Grant register with appropriate Power used to make award</li> <li>•Received Grant expenditure to be recorded under separate budget headings</li> <li>•Terms and Conditions of received Grants must be adhered to</li> </ul>	<b>L</b>
17	<b>Income Stream</b>	Sales ledger invoices not paid	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Invoices to be issued in timely manner</li> <li>•Receipt of payments to be monitored</li> <li>•Debtors to be proactively monitored by RFO.</li> <li>•Quarterly review of all accounts including debtors to be shared at Town Council.</li> <li>•Debtors to be actively communicated with, to minimise the value of debt and try to recover costs</li> </ul>	<b>L</b>
18	<b>Insurance Cover</b>	<ul style="list-style-type: none"> <li>•Insufficient cover to meet nature of claim</li> <li>•Cost</li> <li>•Compliance</li> <li>•Fidelity</li> </ul>	Members of the Public, Staff, Councillors, Tenants.	<b>L</b>	<ul style="list-style-type: none"> <li>•Insurance cover reviewed annually and premium updated to meet demands.</li> <li>•Additional types of insurance cover taken out to meet diverse situations.</li> <li>•Periodic and specific risk assessments undertaken to ensure compliance</li> </ul>	<b>L</b>
19	<b>Litigation</b>	Legal action taken against Town Council	Town Council,	<b>M</b>	Insurance cover is comprehensive and includes Public Liability, Fidelity and Legal fees	<b>L</b>

			Staff and Public			
20	<b>Legal Powers</b>	<ul style="list-style-type: none"> <li>•Adoption of Standing Orders and Financial Regulations</li> <li>•Non-compliance with legislation</li> <li>•Ultra vires actions</li> <li>•Appointment of RFO</li> </ul>	Town Council, Staff and Public	<b>M</b>	<ul style="list-style-type: none"> <li>•Standing Orders and Financial Regulations to be reviewed and adopted annually or as legislation dictates.</li> <li>•Town Clerk/RFO appointed and duties as per employment written statement of particulars</li> <li>•Town Clerk/RFO to ensure compliance with legislation, Standing Orders and Financial Regulations and other NATC procedure(s).</li> <li>•Appropriate training received by both Councillors and Staff</li> <li>•Access to external specialist for advice</li> </ul>	<b>L</b>
21	<b>Meeting Location</b>	<ul style="list-style-type: none"> <li>•Adequacy</li> <li>•Health and Safety</li> </ul>	Town Council, Staff and Public	<b>L</b>	<ul style="list-style-type: none"> <li>•Meetings are normally held in the Lower Meeting Room, Alresford Recreation Centre, The Avenue Alresford.</li> <li>•Town Council has access to the Main Hall on the first floor providing sufficient notice is provided to The Arlebury Limited</li> <li>•The premises and the facilities are considered to be adequate for the Clerk, Councillors and Public who attend from Health &amp; Safety, Disability, Discrimination and comfort aspects.</li> <li>•Due to COVID-19 restrictions meetings are held virtually</li> <li>•Hybrid equipment has been purchased for use in future meetings</li> </ul>	<b>L</b>
22	<b>Payments</b>	<ul style="list-style-type: none"> <li>•Goods not supplied but invoiced/ invoices incorrect/invoices unpaid</li> <li>•Inadequate controls/checks</li> <li>•Fraud/Theft</li> </ul>	Town Council	<b>L</b>	<ul style="list-style-type: none"> <li>•Invoices recorded upon receipt/ Invoices checked for accuracy/goods received checked on delivery.</li> <li>•Payments list approved &amp; Payment amount minuted at monthly Town Council Meetings.</li> <li>•Deputy Clerk to input purchase ledger invoices to help Town Clerk/RFO to monitor accurate expenditure. Each</li> </ul>	<b>L</b>

					<p>invoice to state Index number, method of payment, date paid and if available minute reference.</p> <ul style="list-style-type: none"> <li>•All payments reviewed by RFO.</li> <li>•Payments only to be made to confirmed accounts and not made using account information supplied by email only</li> <li>•Two signatories required for bank accounts</li> <li>•Sufficient signatories maintained on the accounts</li> </ul>	
23	<b>Reporting</b>	Failure to communicate to Town Council and external bodies	Town Council, Staff and Public	<b>L</b>	<ul style="list-style-type: none"> <li>•Monthly income &amp; expenditure reports, cashbook reconciliations and bank statements to be presented to Town Council under separate agenda items.</li> <li>•Reports and bank statements made available for signing by councillor at each meeting.</li> </ul>	<b>L</b>
24	<b>Reserves</b>	<ul style="list-style-type: none"> <li>•Inadequacy of existing funds held</li> <li>•Unforeseen events</li> </ul>	Town Council, Staff and Public	<b>M</b>	<ul style="list-style-type: none"> <li>•Town Council can maintain Reserves one of which is General Reserves equating to approximately 6 months expenditure for ongoing costs.</li> <li>•Unbudgeted commitments are approved after an assessment of the impact on existing reserves.</li> <li>•Specific Reserve are documented demonstrating justification and rationale.</li> </ul>	<b>L</b>
25	<b>Risk Assessments</b>	<ul style="list-style-type: none"> <li>•Insufficient risk review undertaken for NATC assets and activities.</li> <li>•Inadequate Risk Assessments</li> </ul>	Town Council, Staff and Public	<b>M</b>	<ul style="list-style-type: none"> <li>•Engage with expert if required</li> <li>•Comprehensive risk assessments to be created for all NATC activities.</li> <li>•Risk assessments undertaken for NATC assets</li> <li>•Cross check with insurance provider</li> <li>•Supporting rolling programme of inspections and testing to be implemented</li> <li>•Review contractors risk assessment and public liability insurance prior to carrying out works.</li> </ul>	<b>L</b>

26	<b>Staff and Councillor Training</b>	<ul style="list-style-type: none"> <li>•Lack of awareness/training</li> <li>•Potential Legal and Financial liabilities due to incorrect actions/advice taken</li> </ul>	Town Council and Staff	<b>L</b>	<ul style="list-style-type: none"> <li>•All staff to be fully trained in role within 2 years of commencement.</li> <li>•All councillors to undertake relevant training - 2 training sessions per year</li> <li>•Town Clerk/RFO undertaking CiLCA qualification</li> <li>•Town Clerk to ensure best practice is implemented within office procedures as soon as practicable.</li> <li>•Town Council to ensure budget available for staff training, access to professional bodies and reference materials</li> </ul>	<b>L</b>
27	<b>Staff Salaries and Councillor expenses</b>	<ul style="list-style-type: none"> <li>•Incorrect salary payments - Failure to pay HMRC and/or Pension contributions.</li> <li>•Non-compliance with year-end obligations</li> <li>•Incorrect/fraudulent expense claims</li> </ul>	Town Council and Staff	<b>L</b>	<ul style="list-style-type: none"> <li>•Payroll service undertaken by recognised external payroll administrator to calculate monthly staff payments including mileage and expenses</li> <li>•All expenses submitted to Town Clerk/RFO or line manager for authorisation and receipts reviewed.</li> <li>•BACs payments to HMRC &amp; Pension.</li> <li>•No overtime payments unless exceptional circumstances and approved by Town Council prior to working.</li> </ul>	<b>L</b>
28	<b>Section 137</b>	<ul style="list-style-type: none"> <li>•S137 payments not recorded in finance system</li> <li>•S137 payments exceed limit</li> <li>•S137 not minuted</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•S137 payments recorded in finance system and separate record retained of all payments</li> <li>•All S137 payments minuted at Town Council</li> <li>•Ensure S137 payments are within legal limit</li> </ul>	<b>L</b>
29	<b>VAT/Tax</b>	<ul style="list-style-type: none"> <li>•Errors in calculation.</li> <li>•Incorrect treatment of VAT/Tax resulting in loss</li> <li>•Payments not made to HMRC</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Omega generated return to be submitted in timely fashion</li> <li>•Access to VAT/Tax specialist</li> <li>•VAT claims submitted quarterly and reconciled</li> </ul>	<b>L</b>
30	<b>Inherent Liabilities</b>	<ul style="list-style-type: none"> <li>•Off Balance sheet cost</li> <li>•Pension</li> <li>•Leases</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Annual review of budget and liabilities undertaken</li> <li>•Leases are to be periodically reviewed</li> <li>•Pension liabilities monitored</li> </ul>	<b>L</b>

31	<b>COVID-19</b>	<ul style="list-style-type: none"> <li>•Decrease in income</li> <li>•Decrease in expenditure</li> <li>•Unforeseen expenses</li> <li>•Unknown impact</li> </ul>	Town Council	<b>M</b>	<ul style="list-style-type: none"> <li>•Notable fluctuations to budget monitored regularly and reported to Town Council</li> <li>•Budget adjusted as necessary and approved.</li> <li>•Impact of COVID-19 anticipated in budget and precept setting process</li> </ul>	<b>L</b>
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\*To be monitored and/or completed within one year

Signed: *M. Phillibert*  
Responsible Financial Officer

Date: 25 March 2021

### Hazard Severity

<b>Low Risk</b>	Trivial/Negligible	Unlikely to occur
<b>Medium Risk</b>	Minor – Severe injury	Occasional occurrence
<b>High Risk</b>	Death - Severe injury	Likely to occur

### Risk Matrix

	<b>Severity</b>			
<b>Probability</b>	<b>High</b>			
	<b>Medium</b>			
	<b>Low</b>			
		<b>Low</b>	<b>Medium</b>	<b>High</b>

Version	Owner	Date Approved	Minute Ref	Website updated	Next Review
V1 – 2019/20	Town Council	17/09/19	19/130	07/04/21	March 2021
V1 – 2020/21	Town Council	30/03/21	20/227	07/04/21	Feb 2022